

**M00F03**  
**Family Health Administration**  
**Department of Health and Mental Hygiene**

***Operating Budget Data***

(\$ in Thousands)

	<u>FY 09</u> <u>Actual</u>	<u>FY 10</u> <u>Working</u>	<u>FY 11</u> <u>Allowance</u>	<u>FY 10-11</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$47,994	\$37,213	\$32,789	-\$4,425	-11.9%
Contingent & Back of Bill Reductions	0	0	-213	-213	
<b>Adjusted General Fund</b>	<b>\$47,994</b>	<b>\$37,213</b>	<b>\$32,575</b>	<b>-\$4,638</b>	<b>-12.5%</b>
Special Fund	51,976	44,251	44,038	-213	-0.5%
Contingent & Back of Bill Reductions	0	0	-8,230	-8,230	
<b>Adjusted Special Fund</b>	<b>\$51,976</b>	<b>\$44,251</b>	<b>\$35,808</b>	<b>-\$8,443</b>	<b>-19.1%</b>
Federal Fund	125,912	123,244	137,003	13,758	11.2%
Contingent & Back of Bill Reductions	0	0	-205	-205	
<b>Adjusted Federal Fund</b>	<b>\$125,912</b>	<b>\$123,244</b>	<b>\$136,797</b>	<b>\$13,553</b>	<b>11.0%</b>
Reimbursable Fund	50	50	50	0	
<b>Adjusted Reimbursable Fund</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50</b>	<b>\$0</b>	<b>0.0%</b>
<b>Adjusted Grand Total</b>	<b>\$225,931</b>	<b>\$204,759</b>	<b>\$205,230</b>	<b>\$471</b>	<b>0.2%</b>

Note: For purposes of illustration, the Department of Legislative Services has estimated the distribution of selected across-the-board reductions. The actual allocations are to be developed by the Administration.

- The Governor's proposed allowance for the Family Health Administration (FHA) increases by \$0.5 million, or 0.2%, over the fiscal 2010 working appropriation.
- General fund support decreases by \$4.6 million, or 12.5%, primarily for the absence of the grant to Bon Secours Hospital included in the FHA budget in fiscal 2010; special fund support decreases by \$8.4 million, or 19.1%, primarily due to reductions to the Cigarette Restitution Fund (CRF) programs; and federal fund support increases by \$13.6 million, or 11.0%, primarily for increases to the Women, Infants, and Children (WIC) Program.

Note: Numbers may not sum to total due to rounding.

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- Included in the total adjusted change is across-the-board reductions for personnel expenses including employee furloughs and decreases in health insurance and workers' compensation payment totaling \$0.5 million for FHA. There are also reductions to the CRF program and to the WIC program, contingent on passage of the Budget Reconciliation and Financing Act (BRFA) of 2010, totaling \$8.2 million.

***Personnel Data***

	<b><u>FY 09</u></b> <b><u>Actual</u></b>	<b><u>FY 10</u></b> <b><u>Working</u></b>	<b><u>FY 11</u></b> <b><u>Allowance</u></b>	<b><u>FY 10-11</u></b> <b><u>Change</u></b>
Regular Positions	187.30	173.30	173.30	0.00
Contractual FTEs	<u>5.89</u>	<u>7.33</u>	<u>6.33</u>	<u>-1.00</u>
<b>Total Personnel</b>	<b>193.19</b>	<b>180.63</b>	<b>179.63</b>	<b>-1.00</b>

***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	6.93	4.00%
Positions and Percentage Vacant as of 12/31/09	9.00	5.19%

- The fiscal 2011 allowance shows a decrease of 1 contractual position within the Family Health Administration. There are no changes to regular personnel within any of the programs.
- The Board of Public Works (BPW) action in November 2009 deleted 5 positions from the Administration programs within the Cigarette Restitution Fund programs.
- As of December 31, 2009, there were 9 vacant positions, 1 of which has been vacant since January 2008.

## ***Analysis in Brief***

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### **Major Trends**

***Infant Mortality:*** The overall infant mortality rate in Maryland was 8 deaths per 1,000 live births in calendar 2008 and has remained relatively level since calendar 2006. Following national trends, Maryland's African American infant mortality rate has consistently been higher than other races. While there was a slight decrease between calendar 2007 and 2008, the infant mortality rate for African Americans continues to be twice the rate of non-Hispanic white infants.

***Cancer Mortality Rates Continue to Decrease in Maryland:*** One of the main functions of the Cancer Prevention, Education, Screening, and Treatment Program within CRF is to fund community-based programs that prevent, detect, and treat cancer. The mission of the program is to reduce the burden of cancer among Maryland residents by reducing overall cancer mortality in the State. The overall mortality rate for cancer in Maryland continues to decrease as does the rate for breast cancer mortality, demonstrating that the CRF programs are achieving its stated goals.

### **Issues**

***Continued Reductions to CRF Programs, Permanent Reductions Included in the Budget Reconciliation and Financing Act of 2010:*** Actions taken in the BRFA of 2009 reduced the mandated funding for the CRF programs by a little more than 40% for fiscal 2010 and 2011. Then, the August BPW reductions further reduced the fiscal 2010 appropriation for the CRF programs by another 40%. The fiscal 2011 allowance also includes reductions contingent upon legislation that would level fund the program in fiscal 2011 and 2012 and set lower mandated levels for the programs in fiscal 2013 and beyond.

***Breast and Cervical Cancer Programs:*** In recent years, the expenditures for the Breast and Cervical Cancer Diagnosis and Treatment Program have been growing at a significant rate, even as patient population has decreased. In fact, the program has a stated \$1 million deficit in fiscal 2009 that has not yet been funded.

## Recommended Actions

	<u>Funds</u>	<u>Positions</u>
1. Reduce funding for activities aimed at reducing tobacco use in Maryland and Statewide Academic Health Centers to correspond to proposed mandated levels.	\$ 296,840	
2. Eliminate 1 long-term vacant position within the Office of Minority Health and Health Disparities	58,497	1.0
<b>Total Reductions</b>	<b>\$ 355,337</b>	<b>1.0</b>

## Updates

***Dental Health Initiatives:*** Starting in fiscal 2009, the FHA budget included new funding to improve the State’s public dental health infrastructure and to provide school-based dental services. FHA’s Office of Oral Health is charged with developing statewide oral health preventive and educational strategies to decrease oral disease, conducting oral health surveys of the State’s school children, and providing grant funding for the establishment of local oral health programs targeted to populations at high-risk for oral disease.

***Initiatives to Reduce Infant Mortality in Maryland:*** In fiscal 2007, the Babies Born Healthy program was established to reduce infant mortality and improve infant health in the State. In fiscal 2009 and 2010, the Office of Minority Health and Health Disparities also receive funding to combat infant mortality. This update provides a status of both infant mortality programs and the collaboration efforts between both programs.

## ***Operating Budget Analysis***

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### **Program Description**

The Family Health Administration (FHA) promotes public health by ensuring the availability of quality primary, preventive, and specialty health care services, with special attention to at-risk and vulnerable populations. Charges include control of chronic diseases, injury prevention, public health education, and promotion of healthy behaviors.

The Cigarette Restitution Fund (CRF) Program receives a majority of its funding from payments made under the Master Settlement Agreement (MSA). Through the MSA, the settling tobacco manufacturers will pay the litigating parties, which are 46 states, five territories, and the District of Columbia, approximately \$206 billion over the next 25 years and beyond. By statute, the CRF must be appropriated to eight health- and tobacco-related priorities, and the CRF Program within FHA administers a few of these programs – the Tobacco Use Prevention and Cessation Program; the Cancer Prevention, Education, Screening, and Treatment Program; and the Minority Outreach and Technical Assistance program.

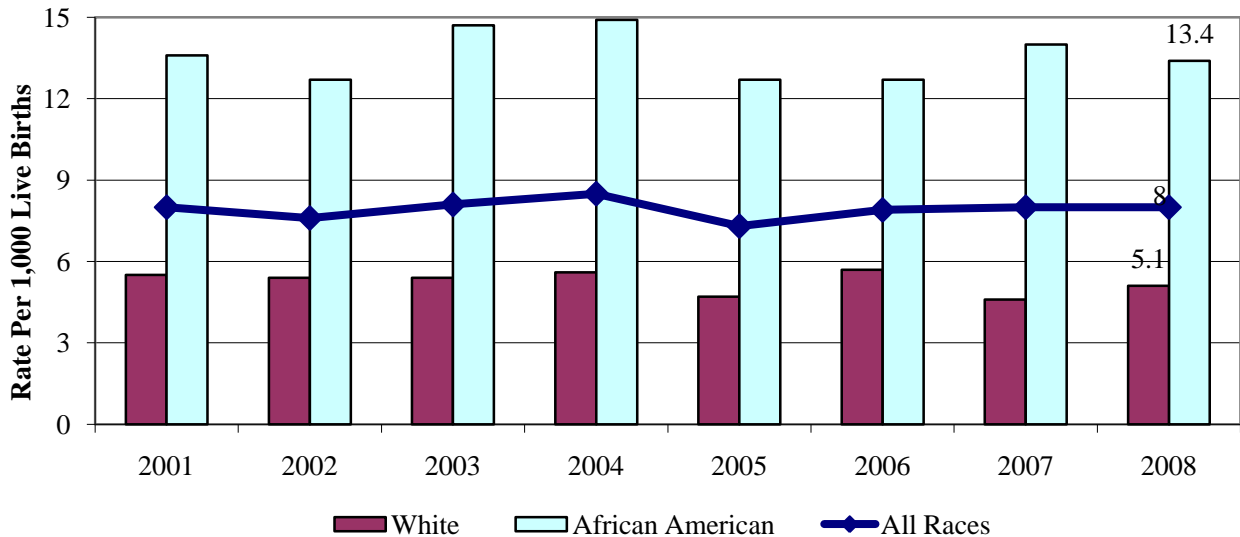
### **Performance Analysis: Managing for Results**

#### **Infant Mortality Rates**

The Center for Maternal and Child Health within FHA is charged with reducing infant mortality and promoting the health and well-being of all women and children. Infant mortality rates are used to indicate the total health of populations in the United States and internationally. During the second half of the twentieth century, infant mortality rates in the United States fell from 29.2 to 6.9 per 1,000 live births, a decline of 76%. Over this period, infant mortality rates declined for all races; however, rates for African American infants have consistently been higher than rates for all other races and ethnicities. Mirroring the national trend, Maryland's infant mortality rate decreased 23% during the 1990s due to improved access to preconception, prenatal, and family planning services. Also contributing to the decline was the development of hospital perinatal standards, high risk consultation, and community-based perinatal health improvements.

In calendar 2002, the United States infant mortality rate increased for the first time since 1958. According to the National Center for Health Statistics, infant mortality rates were the highest among mothers who smoked, had no prenatal care, were teenagers, were unmarried, and had less education. Following the national trend, Maryland's overall infant mortality rate increased from calendar 2002 through 2004 to 8.5 deaths per 1,000 live births but declined to 7.3 in calendar 2005. However, as shown in **Exhibit 1**, the overall infant mortality rate has increased since calendar 2005 to 8.0 deaths per 1,000 live births in calendar 2008.

**Exhibit 1  
 Infant Mortality Rates  
 Cases Per 1,000 Live Births  
 Calendar 2001-2008**



Source: Maryland Vital Statistics; Department of Health and Mental Hygiene

Following national trends, Maryland’s African American infant mortality rate has consistently been higher than other races. While the overall infant mortality in the State remained level from calendar 2006 to 2008, the rate for African Americans has had an increase from 12.7 in calendar 2006 to 13.4 in calendar 2008. While there was a slight decrease between calendar 2007 and 2008, the infant mortality rate for African Americans continues to be twice the rate of non-Hispanic white infants.

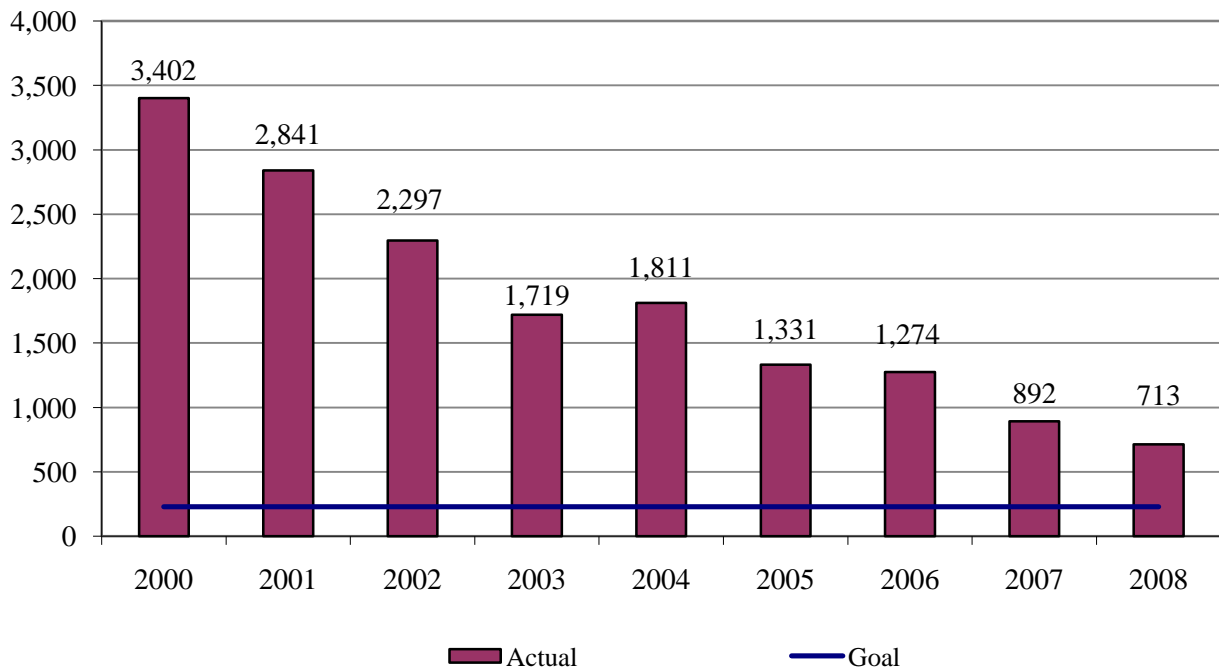
**Elevated Blood Lead**

The Centers of Disease Control has a national goal to eliminate blood lead levels of greater than 10 microgram per deciliter (*ug/dL*) in children younger than the age of six by the year 2010. It has been clinically proven that blood lead levels greater than 70 *ug/dL* can cause severe neurological problems (*e.g.*, seizures, coma, and death). Also, studies have linked blood lead levels as low as 10 *ug/dL* with decreased intelligence and other adverse neurodevelopmental effects.

Common sources of lead exposure include house dust contaminated with lead paint, soil contaminated with lead paint, and industrial or motor vehicle emissions. Nationally, elevated blood lead levels are more prevalent with children living in houses built before 1946.

FHA’s goal is to have no more than 230 children with elevated blood lead levels (greater than 10  $\mu\text{g}/\text{dL}$ ) by calendar 2010. As shown in **Exhibit 2**, since 2000, the number of children with elevated blood lead levels has been significantly above the 2010 goal. However, the number of children with elevated blood lead levels has decreased by 79% since 2000 with a two-year decrease of 44% between calendar 2006 and 2008. While the State still has not met its goal, the programs in place have made a significant decrease since 2000, and FHA expects to be able to meet the goal by 2010.

**Exhibit 2**  
**Children Under the Age of Six with Elevated Blood Lead Levels**  
**Calendar 2000-2008**

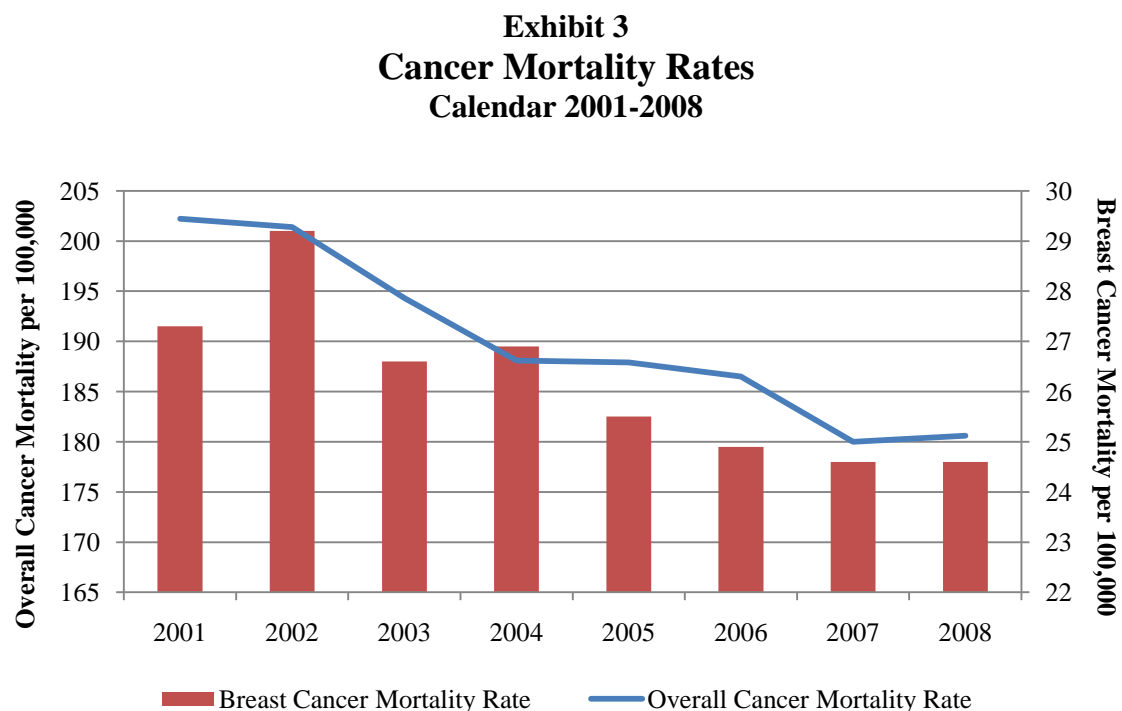


Source: Department of Health and Mental Hygiene

## Cigarette Restitution Fund Program

### Cancer Prevention, Education, Screening, and Treatment

One of the main functions of the Cancer Prevention, Education, Screening, and Treatment Program is to fund community-based programs that prevent, detect, and treat cancer. The mission of the program is to reduce the burden of cancer among Maryland residents by reducing overall cancer mortality in the State. **Exhibit 3** shows the program has successfully reduced the overall cancer mortality rate. The exhibit also shows that there has been a significant drop in breast cancer mortality as well. The cancer programs within the CRF program target colorectal cancer, prostate cancer, and cancers associated with tobacco use.



Source: Department of Health and Mental Hygiene

### Tobacco Use, Prevention, and Cessation Program

The mission of the Tobacco Use, Prevention, and Cessation Program is to reduce the use of tobacco products and to reduce the burden of tobacco-related morbidity and mortality in the State. One of the program's goals is to change the existing environmental context in Maryland communities from toleration or promotion of tobacco use to a context which does not condone exposing youth under 18 years old to secondhand smoke.

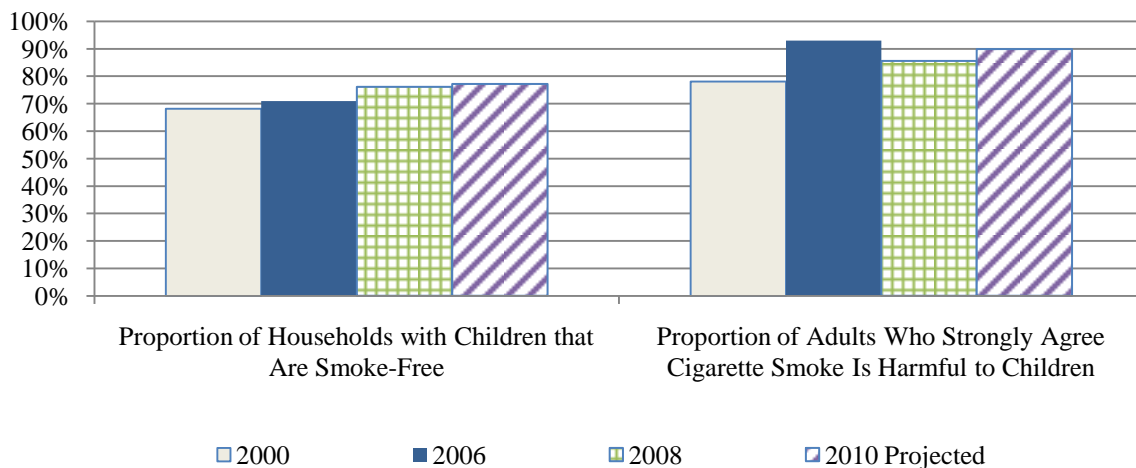
Nationally, children’s exposure to secondhand smoke is responsible for:

- increases in the number of asthma attacks and severity of symptoms in 200,000 to 1 million children with asthma;
- between 150,000 and 300,000 lower respiratory tract infections (for children under 18 months of age); and
- respiratory tract infections resulting in 7,500 to 15,000 hospitalizations each year.

Children are particularly vulnerable to the harms of secondhand smoke because children are still developing physically, have higher breathing rates than adults, and have little control over their indoor environments.

The CRF Program works to reduce the exposure of children to secondhand smoke by providing education to adults with the goal of increasing the number of Maryland adults who strongly agree that cigarette smoke is harmful to children by 25% from calendar 2000 to 2010. In addition, the CRF Program has been working to increase the proportion of Maryland households with minor children that are smoke-free by 8% from calendar 2000 to 2010. **Exhibit 4** shows the program has made improvements toward both of these goals. Although there was a decrease in the proportion of adults who strongly agree that cigarette smoke is harmful to children between calendar 2006 and 2008, there still has been a cumulative increase since calendar 2000.

**Exhibit 4**  
**Proportion of**  
**Youth Living in Smoke-free Households**  
**And Adults that Agree Smoke Is Harmful to Children**



Source: Department of Health and Mental Hygiene

## **Fiscal 2010 Actions**

### **Proposed Deficiency**

The fiscal 2011 allowance does not include a deficiency appropriation for FHA's Breast and Cervical Cancer Diagnosis and Treatment Program (BCCDTP), even though the agency reported \$1.0 million in unprovided-for general fund payables to the Comptroller at fiscal 2009 close-out. The agency expects to have a shortfall in funding of up to \$1.5 million in fiscal 2010 as well.

### **Impact of Cost Containment**

In fiscal 2010, FHA has experienced cost containment actions totaling \$13.4 million, consisting of \$0.8 million of general funds and \$12.6 million in special funds. The following is a list of the larger cost containment actions:

- **Statewide Academic Health Centers** – CRF funding for cancer research at University of Maryland and Johns Hopkins University was reduced by \$7.5 million in special funds, which represents a 75% reduction to the total funding for the Statewide Academic Health Centers. These funds were then transferred to the Medicaid program to reduce the State's general fund liability in fiscal 2010.
- **Cancer Prevention, Education, Screening, and Treatment** – CRF funding for local health departments, the University of Maryland, and the Johns Hopkins University for cancer screenings and prevention was reduced by \$3.0 million, or 25%. These funds were then transferred to the Medicaid program to reduce the State's general fund liability in fiscal 2010.
- **Tobacco Use, Prevention, and Cessation** – CRF funding for local health departments and other grants for tobacco use, prevention, and cessation activities was reduced by \$1.3 million in special funds, or 25%. These funds were then transferred to the Medicaid program to reduce the State's general fund liability in fiscal 2010.
- **Spinal Cord Injury Fund** – The Board of Public Works (BPW) eliminated funding for research grants in the amount of \$435,000 and approved the transfer of \$1.6 million from the balance of the fund to the general fund. The transfer requires legislative action and is included in the BRFA of 2010.
- **Minority Health and Health Disparities** – Per the November actions of BPW, the Office of Minority Health and Health Disparities (MHHD) will revert \$292,500 to the general fund for prior year encumbrances for a cardiovascular disease grant to Baltimore City and infant mortality grants to Prince George's and Montgomery counties.
- **Statewide Furloughs** – Furloughs were implemented for all State employees reducing the general fund appropriation for FHA by \$262,657.

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- **Maternal and Child Health Block Grant** – BPW reduced general funds by \$260,000 for salary expenses in the Maternal and Child Health program and to convert a State funded contract for dental health to a federal grant. Program expenses for both actions will be covered by surplus federal grant funds.
- **Other Cigarette Restitution Fund Programming** – BPW abolished 5 positions in CRF programs, including 3 from the CRF Cancer Administration program and 2 from the CRF Tobacco Administration program totaling \$200,000 in special funds.
- **Model Infant Parent Centers** – BPW eliminated the general fund portion of grants to two children’s medical day centers, totaling \$150,000. The funds are currently used to cover supply and equipment costs and will be covered by federal funds in the future.
- **Rural Health Program** – BPW reduced funding for health professions education at the Eastern Shore and the Western Maryland Area Health Education Centers by \$62,200.

Reductions to the CRF programs, including the Statewide Academic Health Center grants, cancer prevention, screening, and treatment programs, tobacco cessation programs, and the abolition of CRF positions, accounted for almost 90% of the total reductions taken by FHA in fiscal 2010.

## **Proposed Budget**

The Governor’s proposed fiscal 2011 allowance increases by \$0.5 million, or 0.2%, over the fiscal 2010 working appropriation, as shown in **Exhibit 5**. The general fund support decreases by \$4.6 million, or 12.5%; the special fund support decreases by \$8.4 million, or 19.1%; and the federal fund support increases by \$13.6 million, or 11.0%.

The fiscal 2011 budget bill also contains reductions to programs within FHA, contingent upon passage of the BRFA of 2010, as shown in **Exhibit 6**. If adopted, the contingent reductions would reduce the budget for FHA by \$8.2 million. The CRF programs will be reduced by \$8,153,160 in special funds and the Women, Infants, and Children (WIC) program will be reduced by \$42,559 in general funds. The Department of Legislative Services’ (DLS) discussion of the Governor’s proposed budget reflects these contingent reductions.

**Exhibit 5**  
**Proposed Budget**  
**DHMH – Family Health Administration**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b>General Fund</b>	<b>Special Fund</b>	<b>Federal Fund</b>	<b>Reimburs. Fund</b>	<b>Total</b>
2010 Working Appropriation	\$37,213	\$44,251	\$123,244	\$50	\$204,759
2011 Allowance	<u>32,789</u>	<u>44,038</u>	<u>137,003</u>	<u>50</u>	<u>213,879</u>
Amount Change	-\$4,425	-\$213	\$13,758	\$0	\$9,121
Percent Change	-11.9%	-0.5%	11.2%		4.5%
 Contingent Reduction	 -\$213	 -\$8,230	 -\$205	 \$0	 -\$8,649
Adjusted Change	-\$4,638	-\$8,443	\$13,553	\$0	\$471
Adjusted Percent Change	-12.5%	-19.1%	11.0%	0.0%	0.2%
 <b>Where It Goes:</b>					
<b>Personnel Expenses</b>				<b>\$134</b>	
Regular salary expenses.....					\$359
Contributions to employees' retirement system.....					168
Decreased turnover rate from 4.98 to 4.0% .....					124
Workers' compensation premium assessment (as reduced by Sections 21 and 23) .....					-14
Employee and retiree health insurance (as reduced by Section 19).....					-115
Employee furloughs (Section 18) .....					-395
Other fringe benefit adjustments.....					6
<b>Family Health Administration</b>				<b>-\$2,579</b>	
Women, Infants, and Children (WIC) program contractual costs.....					15,795
Babies Born Healthy program.....					668
New Colorectal Cancer Screening program.....					602
Increase in medical providers for Breast and Cervical Cancer Diagnosis and Treatment program.....					600
Other changes in FHA budget.....					43
Federal grant for abstinence education ended June 30, 2009.....					-540
Decrease to Minority Health and Health Disparities for infant mortality grants .....					-665
Transfer of Infants and Toddlers Program from FHA to Medicaid .....					-2,083
One-time Bon Secours Hospital grant in fiscal 2010.....					-5,000
Prince George's County Health System Grant in fiscal 2010.....					-12,000
<b>Cigarette Restitution Fund Programs</b>				<b>\$2,916</b>	
Increase in local public health department funding for targeted cancer prevention, education, screening and treatment.....					2,200

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**Where It Goes:**

Funding for Baltimore City health grants for targeted cancer prevention, education, screening and treatment .....	716
<b>Total</b>	<b>\$471</b>

FHA: Family Health Administration

Note: Numbers may not sum to total due to rounding.

**Exhibit 6  
Family Health Administration  
Fiscal 2011 Contingent Reductions**

<u>Program</u>	<u>Contingent Reduction</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Total Funds</u>
Women, Infants, and Children Program	Fiscal 2011 allowance will be reduced by \$42,559 if BRFA language is adopted eliminating general fund support for the WIC program.	-\$42,559	\$0	-\$42,559
CRF – Tobacco Use Prevention and Cessation Program	Fiscal 2011 allowance will be reduced by \$0.8 million if BRFA language is adopted to reduce the legislative mandate of funding for tobacco control and cessation activities to \$6.0 million (a decrease of \$1.0 million) in fiscal 2011 and each subsequent year.	0	-803,160	-803,160
CRF – Statewide Academic Health Centers	Fiscal 2011 allowance will be reduced by \$7.35 million if BRFA language is adopted to reduce the legislative mandate of CRF funding for Statewide Academic Health Centers to \$2.4 million for fiscal 2011 and 2012 with the mandated appropriation level increasing to \$9.85 million in fiscal 2013 and beyond.	0	-7,350,000	-7,350,000
<b>Total</b>		<b>-\$42,559</b>	<b>-\$8,153,160</b>	<b>-\$8,195,719</b>

BRFA: Budget Reconciliation and Financing Act

CRF: Cigarette Restitution Fund

WIC: Women, Infants, and Children

Source: Department of Legislative Services; 2011 State Budget

## **Personnel**

Personnel expenses for FHA increase by \$0.1 million in the fiscal 2011 allowance, which reflects several across-the-board actions to be allocated by the Administration. This includes a combination of employee furloughs and government shut-down days similar to the plan adopted in fiscal 2010; a reduction in overtime based on accident leave management; streamlining of State operations; hiring freeze and attrition savings; a change in the injured workers' settlement policy and administrative costs; and a savings in health insurance to reflect a balance in that account. For purposes of illustration, the Department of Legislative Services has estimated the distribution of selected actions relating to employee furloughs, health insurance, and the Injured Workers' Insurance Fund cost savings.

Regular earnings increase by \$0.4 million; however, that increase is negated by Back of the Bill language to implement employee furloughs in fiscal 2011, which decreases the budget by \$0.4 million. Back of the Bill language to reduce employee and retiree health insurance, combined with regular expenses for employee and retiree health insurance, reduce the budget by \$0.1 million.

The remainder of the increases to the personnel expenses in fiscal 2011 include contributions to the employees' retirement system (\$0.2 million) and a lower turnover rate for the agency (\$0.1 million). The turnover rate for fiscal 2011 was lowered to 4.0% from 4.98% which was the turnover rate in the fiscal 2010 working appropriation.

## **Family Health Administration**

The nonpersonnel costs for FHA, excluding the CRF programs, decrease in the fiscal 2011 allowance by \$2.6 million. The largest single increase in the budget is for expenses related to the WIC program, which increase by \$15.8 million for the following contractual expenses – food service contracts; administrative funding to local health departments for the provision of WIC services; training and educational videos produced by Maryland Public Television; Farmers Market Program; human services contracts to private agencies; and other special projects. Participation in the WIC program has increased from 132,483 in fiscal 2008 to 144,072 in fiscal 2009. This is due in large part to the declining economy and high levels of unemployment, causing more people to be eligible for the program. There has also been a strong outreach effort by the WIC program to reach more potentially eligible people.

The Babies Born Healthy project, which supports grants to local health departments, nonprofits, federally qualified health centers, and the Maryland Patient Safety Center to reduce infant mortality in the State, increases by \$0.7 million in fiscal 2011. However, there is also a correlated reduction to the Office of Minority Health and Health Disparities for infant mortality grants in the same amount. This change recognizes legislative intent in previous years that funding for infant mortality grants should be shared between the two programs.

Two other increases to the budget include federal funding for a new colorectal cancer screening program (\$0.6 million) and increased CRF special funds for the Breast and Cervical Cancer Diagnosis and Treatment Program (\$0.6 million).

These increases are offset by decreases to the budget for FHA. Two of the main decreases to the budget result from grants provided in fiscal 2010 that are no longer provided for in fiscal 2011 for the Prince George's County Health System (\$12.0 million) and Bon Secours hospital (\$5.0 million). The grant to Bon Secours was intended to be a one-year commitment. The grant to the Prince George's County Health System is part of a longer-term commitment and is budgeted in the State Reserve Fund in fiscal 2011. Also, the Infants and Toddlers Program, previously budgeted in FHA, has been moved to the Medicaid program beginning in fiscal 2011 (\$2.1 million). Lastly, a federal grant for abstinence education ended in fiscal 2010, resulting in a relative reduction to federal funds (\$0.5 million).

### **Cigarette Restitution Fund Programs**

The fiscal 2011 allowance includes an increase of \$2.9 million for the CRF program. The Tobacco Use, Prevention, and Cessation programs and the Statewide Academic Health Center programs will be essentially level funded in fiscal 2011, assuming that the contingent reductions in the budget are approved as submitted by the Governor. The increases represented in the budget occur in the remaining CRF programmatic areas for cancer prevention, screening and treatment. The grants for local public health departments, excluding Baltimore City, increase by \$2.2 million while the funding for the Baltimore City health grants increase by \$0.7 million.

### **Transfers and Changes Proposed by the Budget Reconciliation and Financing Act of 2010**

The Governor's fiscal 2011 budget is balanced through the adoption of the BRFA of 2010, which is the vehicle by which funds from certain special funds are transferred to the general fund to support State activities and other changes to statutory language is made so that the budget, as introduced, conforms to law. There are multiple provisions in the BRFA of 2010 that affect programs within the Family Health Administration. First, there are transfers and reversions which add money to the general fund in fiscal 2010 and 2011. Second, the bill includes changes to statute which reduce the mandated appropriation levels for certain CRF programs.

The BRFA of 2010 specifies a \$2.1 million transfer from the balance of the Spinal Cord Injury Trust Fund to the general fund between fiscal 2010 and 2011. Of that total, \$1.6 million will be transferred in fiscal 2010 and \$0.5 million will be transferred in fiscal 2011. If the legislation is approved, the balance of the fund will be depleted.

The BRFA of 2010 also includes provisions that would reduce the mandated appropriation levels for Tobacco Use, Prevention, and Cessation programs and the Statewide Academic Health Centers in fiscal 2011 and beyond. Language in the proposed bill specifies that the Governor shall include at least \$6.0 million in the annual budget for activities aimed at reducing tobacco use in Maryland. This level is lower than the fiscal 2010 mandated level of \$7.0 million and even lower than the fiscal 2009 mandated level of \$12.7 million.

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There is also language that changes the mandated appropriation level of the Statewide Academic Health Centers for the three programs included in the CRF. First, funding for the Cancer Research Grants would be reduced to \$1.65 million in fiscal 2011 and 2012, after which the mandated appropriation level would revert to \$6.7 million annually. Next, grants related to tobacco-related disease research would be reduced to \$300,000 in each fiscal 2011 and 2012, after which the mandated appropriation level would revert to \$1.25 million annually. Last, grants related to the Statewide Cancer Network would be reduced to \$450,000 in each fiscal 2011 and 2012, after which the mandated appropriation level would revert to \$1.9 million annually. In each of these instances, the level in fiscal 2013 corresponds to the funding level in fiscal 2009.

A more in-depth discussion of changes to the CRF mandated appropriation levels as proposed by the BRFA of 2010 is included in the Issues section of this document.

## *Issues*

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### **1. Continued Reductions to CRF Programs, Permanent Reductions Included in the Budget Reconciliation and Financing Act of 2010**

Actions taken in the BRFA of 2009 reduced the mandated funding for the CRF programs by a little more than 40% in fiscal 2010. Then, the August BPW reductions further reduced the fiscal 2010 appropriation for the CRF programs by another 40%. Additionally, the 2011 budget bill includes contingent reductions to the CRF program, pending passage of the BRFA of 2010. **Exhibit 7** shows how specific CRF programs have been affected by past cost containment measures as well as the contingent reductions included in the fiscal 2011 allowance.

The BRFA of 2010 also reduces the mandated appropriation level of the Tobacco Use, Prevention, and Cessation programs for 2011 by \$1.0 million and the mandated appropriation level for grants made to Statewide Academic Health Centers in fiscal 2011 and 2012 by \$7.35 million. **Exhibit 8** shows the difference in funding levels as stated in Health-General §13-1015, 1116, 1117 and 1118, as changed by the BRFA of 2009 and according to the proposed changes in the BRFA of 2010.

If the BRFA of 2010 is enacted as introduced, the annual mandated appropriation level for tobacco cessation programs will be reduced by 71.4% beginning in fiscal 2010, as shown in Exhibit 8. The activities supported by this mandate include media campaigns that encourage smokers to quit or not start; media campaigns about the danger of secondhand smoke; enforcement of existing tobacco-related laws; promotion of smoking cessation programs, and implementation of school-based anti-tobacco programs.

The mandated appropriation level for grants made to Statewide Academic Health Centers for cancer research grants, tobacco-related disease research grants, and statewide network grants will be reduced by 84% in fiscal 2011 if the BRFA of 2010 is approved, as shown in Exhibit 8. Beginning in fiscal 2013, the permanent mandated appropriation level will be 36% lower than the original mandated level as stated by Maryland law.

**Exhibit 7**  
**Cigarette Restitution Fund Allocation with Cost**  
**Containment and Contingent Reductions**  
**Fiscal 2009-2011**  
**(\$ in Millions)**

	<u>Actual</u> <u>2009</u>	<u>Working</u> <u>Approp.*</u> <u>2010</u>	<u>Allowance</u> <u>2011</u>	<u>Contingent</u> <u>Reductions</u> <u>2011</u>	<u>Adjusted</u> <u>Allowance</u> <u>2011</u>	<u>% Change from</u> <u>Working</u> <u>Appropriation to</u> <u>Adjusted</u> <u>Allowance</u>
<b>Cancer Prevention, Education, Screening, and Treatment</b>						
Local Public Health	\$7.2	\$5.3	\$7.5		\$7.5	41.5%
UM and JHI – Baltimore City	2.3	1.7	2.4		2.4	41.4%
Surveillance and Evaluation	1.3	1.1	1.2		1.2	9.5%
Administration	0.8	0.6	0.6		0.6	-11.0%
Cancer Screening Data base	0.2	0.2	0.2		0.2	0.0%
Statewide Public Health	0.1	0.0	–		–	-100.0%
<b>Total</b>	<b>\$11.8</b>	<b>\$9.0</b>	<b>\$11.9</b>	<b>\$0.0</b>	<b>\$11.9</b>	<b>32.4%</b>
<b>Statewide Academic Health Centers</b>						
Cancer Research Grants	\$6.8	\$1.7	\$6.7	-\$5.0	\$1.7	0.0%
Tobacco Diseases Research	1.3	0.3	1.3	-0.9	0.3	0.0%
Network Grant	1.9	0.5	1.9	-1.4	0.5	0.0%
<b>Total</b>	<b>\$10.0</b>	<b>\$2.5</b>	<b>\$9.9</b>	<b>-\$7.4</b>	<b>\$2.5</b>	<b>0.0%</b>
<b>Tobacco Use, Prevention, and Cessation Program</b>						
Local Public Health	\$11.6	\$2.9	\$3.7	-\$0.8	\$2.9	0.0%
Countermarketing	0.1	–	–		–	0.0%
Statewide Public Health	1.7	–	–		–	0.0%
MOTA	1.0	0.6	0.6		0.6	0.0%
Surveillance and Evaluation	1.3	0.5	0.5		0.5	0.0%
Administration	0.7	0.2	0.2		0.2	-18.5%
Management	0.9	1.0	1.0		1.0	3.9%
<b>Total</b>	<b>\$17.2</b>	<b>\$5.0</b>	<b>\$5.8</b>	<b>-\$0.8</b>	<b>\$5.0</b>	<b>0.0%</b>
<b>Breast and Cervical Cancer Program</b>						
	–	\$14.6	\$15.2	\$0	\$15.2	4.1%
<b>Total</b>	<b>\$39.1</b>	<b>\$31.1</b>	<b>\$42.8</b>	<b>-\$8.2</b>	<b>\$34.7</b>	<b>11.3%</b>

JHI: Johns Hopkins Institutions

MOTA: Minority Outreach and Technical Assistance

UM: University of Maryland

\*Fiscal 2010 Working Appropriation includes the Board of Public Works reductions taken in August 2009.

Source: Department of Health and Mental Hygiene; Department of Legislative Services; State Budget

**Exhibit 8**  
**Temporary and Permanent Reductions to**  
**Mandated Appropriation Levels of the CRF Programs**  
 (\$ in Millions)

	<u>Original</u> <u>Level</u>	<u>2010</u>	<u>Proposed</u> <u>2011</u>	<u>Proposed</u> <u>2012</u>	<u>Proposed</u> <u>Permanent</u>	<u>% Change</u> <u>from</u> <u>Original</u> <u>Level to</u> <u>Proposed</u> <u>Level</u> <u>2011</u>	<u>% Change</u> <u>from</u> <u>Original</u> <u>Level to</u> <u>Proposed</u> <u>Permanent</u> <u>Level</u>
<b>Tobacco Use, Prevention, and Cessation</b>	<b>\$21.00</b>	<b>\$7.00</b>	<b>\$6.00</b>	<b>\$6.00</b>	<b>\$6.00</b>	<b>-71.4%</b>	<b>-71.4%</b>
<b>Total Statewide Academic Health Centers</b>	<b>\$15.40</b>	<b>\$9.85</b>	<b>\$2.40</b>	<b>\$2.40</b>	<b>\$9.85</b>	<b>-84.4%</b>	<b>-36.0%</b>
Cancer Research Grants	10.40	6.70	1.65	1.65	6.70	-84.1%	-35.6%
Tobacco-related Disease Research Grants	2.00	1.25	0.30	0.30	1.25	-85.0%	-37.5%
Statewide Network Grants	3.00	1.90	0.45	0.45	1.90	-85.0%	-36.7%

Source: Annotated Code of Maryland; Budget Reconciliation and Financing Act of 2010

**Fiscal 2011 Allowance**

In order to conform to the proposed changes made by the BRFA of 2010, the Governor’s fiscal 2011 allowance includes a reduced funding level for the CRF programs. **Exhibit 9** shows the adjusted allowance for the Tobacco Reduction Activities and the grants made to Statewide Academic Health Centers and the corresponding mandated appropriation level as proposed by the BRFA of 2010.

**Exhibit 9**  
**Adjusted Allowance vs. Proposed Mandated Appropriation Levels**  
**Fiscal 2011**

	<u>Adjusted Allowance*</u>	<u>Mandated Level Per BRFA</u>	<u>Difference</u>
<b>Statewide Academic Health Center</b>			
Cancer Research Grants	\$1,688,423	\$1,650,000	\$38,423
Tobacco Diseases Research	324,668	300,000	24,668
Network Grant	486,909	450,000	36,909
<b>Total</b>	<b>\$2,500,000</b>	<b>\$2,400,000</b>	<b>\$100,000</b>
<b>Tobacco Reduction Activities</b>			
Tobacco Use, Prevention, and Cessation Program (CRF)	\$4,023,592		
Core Capacity Building for Tobacco Use Prevention Program	1,080,991		
Tobacco Prevention and Cessation Program	1,092,257		
<b>Total</b>	<b>\$6,196,840</b>	<b>\$6,000,000</b>	<b>\$196,840</b>

BRFA: Budget Reconciliation and Financing Act  
 CRF: Cigarette Restitution Fund

\*Fiscal 2011 adjusted allowance includes contingent reductions.

Source: Department of Legislative Services; State Budget; Budget Reconciliation and Financing Act of 2010

As Exhibit 9 demonstrates, the Governor has included money above the proposed mandated level. The programs identified utilize general, special, and federal funds. **DLS recommends deleting the excess funds from the budget in order to conform to the proposed appropriation levels in the BRFA of 2010 and to lessen the State’s financial commitment in 2011. The agency would be able to backfill with special funds from other programs to support either Tobacco Reduction Activities or grants to the Statewide Academic Health Centers.**

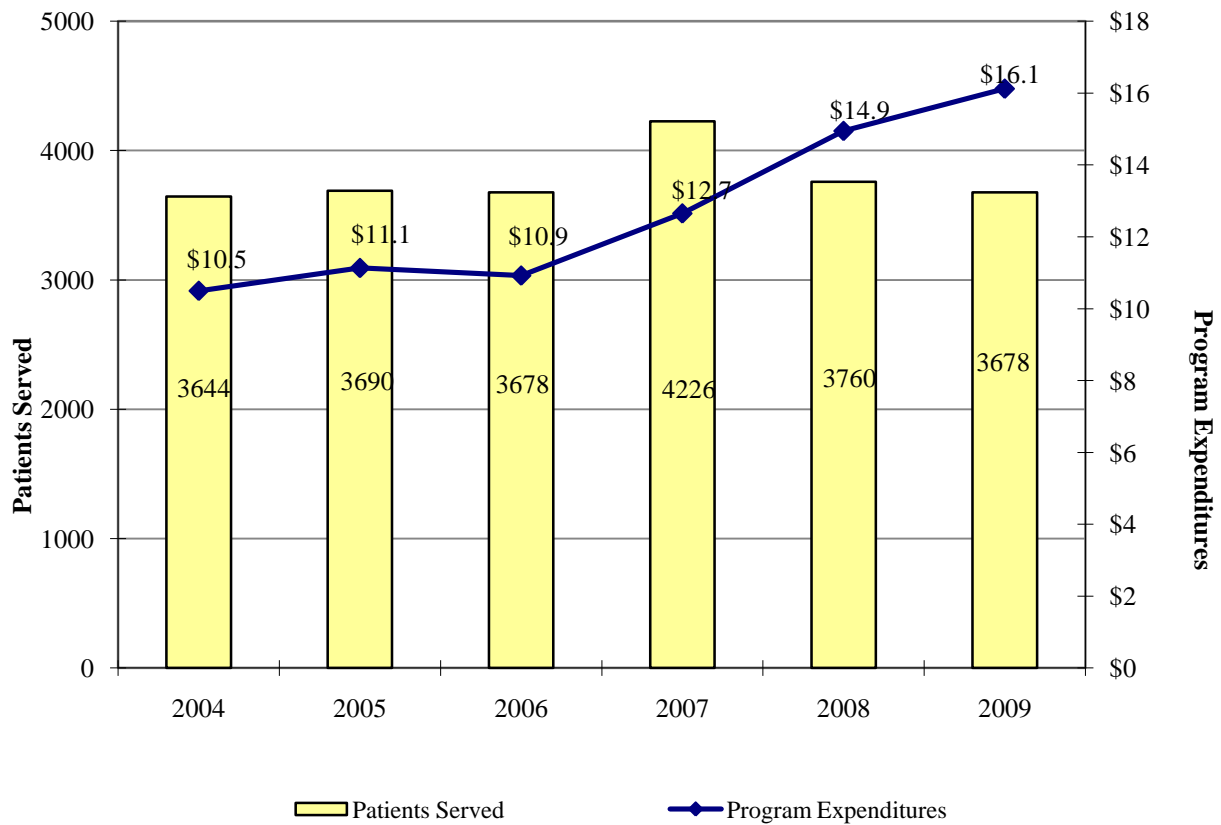
## **2. Breast and Cervical Cancer Programs**

FHA administers the BCCDTP, which funds breast and cervical cancer diagnostic and treatment services for uninsured, low-income (below 250% of the federal poverty level) women age 40 and older that are not Medicaid eligible. BCCDTP covers the following services:

- breast and cervical cancer diagnostic procedures including ultrasound, biopsy, colposcopy, surgical consultations, etc.;
- breast and cervical cancer treatment procedures including cryotherapy, laser hysterectomy, lumpectomy, mastectomy, radiation therapy, and chemotherapy;
- physical therapy, occupational therapy, and a home health nurse, when required because of breast or cervical cancer;
- medications required for the treatment of breast or cervical cancer;
- medical equipment when required because of breast or cervical cancer;
- breast prosthesis and bras;
- wigs;
- breast reconstruction; and
- other costs related to diagnosis and treatment (laboratory tests, x-rays, and hospital care).

In fiscal 2009, the program served approximately 3,678 patients at a cost of \$16.1 million. **Exhibit 10** shows the number of patients served by BCCDTP from fiscal 2004 through 2009 and the program costs for BCCDTP. While the number of patients served has decreased in recent years, the program's expenditures have increased significantly starting in fiscal 2006. Specifically, in fiscal 2007 and 2008, the program's expenditures increased more than 15% annually.

**Exhibit 10**  
**Enrollment and Expenditures for the Breast and Cervical**  
**Cancer Diagnosis and Treatment Program**  
**Fiscal 2004-2009**  
**(\$ in Millions)**



Source: Department of Health and Mental Hygiene

**Fiscal 2011 Expenditures**

**Exhibit 11** shows total spending for BCCDTP in recent years and the fiscal 2010 and 2011 allocations for the program. As the exhibit demonstrates, the annual change has decreased from fiscal 2007, when the funding grew by 12.5%, through the fiscal 2011 allowance, when the funding is expected to increase by only 4.4%. This is partially due to increased Medicaid coverage recently expanded to parents with incomes of up to 116.0% of the federal poverty level. It is important to note that Exhibit 11 shows unprovided for payables in fiscal 2009, which have not yet been covered. Also, FHA is projecting a \$1.5 million shortfall for the program in fiscal 2010.

**Exhibit 11**  
**Breast and Cervical Cancer Diagnosis and Treatment Program Expenditures**  
**Fiscal 2006-2011**  
**(\$ in Millions)**

	<u>General Funds</u>	<u>Special Funds</u>	<u>Total Funds</u>	<u>Annual % Change</u>
2006 Actual	\$14.8		\$14.8	
2007 Actual	16.7		16.7	12.5%
2008 Actual	18.8		18.8	12.6%
2009 Actual	19.0		19.0	1.0%
2009 Payables	1.0			
<b>Total 2009</b>	<b>\$20.0</b>		<b>\$20.0</b>	<b>6.4%</b>
2010 Working	\$3.8	\$14.6	\$18.4	-3.2%
Estimated Shortfall	1.5			
<b>Total Estimated 2010</b>	<b>\$5.3</b>	<b>\$14.6</b>	<b>\$19.9</b>	<b>-0.6%</b>
2011 Allowance	\$4.0	\$15.2	\$19.2	4.4%

Source: Department of Health and Mental Hygiene; Department of Legislative Services

The costs and enrollment of the State-funded BCCDTP may be reduced in the future by the uptake in federally funded programs that provide screening, diagnosis, and treatment. The federally funded program for breast cancer screening run by FHA is called the Breast and Cervical Cancer Screening Program (BCCP) and provides screening to low-income, uninsured women between the ages of 40 and 64. Most of the women screened under this program and diagnosed with cancer are eligible for the Women’s Breast and Cervical Cancer Health Program (WBCCHP), a Maryland Medicaid waiver program. The federal government provides a 65% match to State funds. A requirement of WBCCHP is that women be screened through the BCCP.

Despite the availability of other programs, the BCCDTP expenditures continue to increase from year to year. Given the fact that the agency projects to spend \$19.9 million in fiscal 2010, which includes the projected shortfall of \$1.5 million, it appears that the program is underfunded by \$0.7 million in the fiscal 2011 allowance. The unprovided for payables in fiscal 2009 combined with the projected shortfall in fiscal 2010 and 2011 leave the BCCDTP underfunded by at least \$3.2 million, representing 16% of the program expenditures. **FHA should discuss how enrollment in the BCCDTP has been impacted by the expansion of Medicaid to parents with incomes up to 116%. The agency should also comment on the adequacy of funding in the program and address the ongoing need for deficiency funding, specifically the need for a deficiency in fiscal 2009 and the status of that request.**

## ***Recommended Actions***

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	<b><u>Amount Reduction</u></b>		<b><u>Position Reduction</u></b>
1. Reduce funding for activities aimed at reducing tobacco use in Maryland and for grants to Statewide Academic Health Centers to correspond to mandated levels proposed by the Budget Reconciliation and Financing Act (BRFA) of 2010. If enacted, the legislation would mandate an appropriation level of \$6.0 million for activities aimed at reducing tobacco use and \$2.4 million for grants to Statewide Academic Health Centers. This reduction would result in a decrease in general funds in the amount necessary to bring the appropriation level for the tobacco cessation programs and Statewide Academic Health Centers to the level specified in the BRFA of 2010. The agency can utilize special funds from other programs to backfill this reduction to general funds.	\$ 296,840	GF	
2. Eliminate one long-term vacancy from the Office of Minority Health and Health Disparities. This position has been vacant for over two years and is not necessary for the operation of the office.	58,497	SF	1.0
<b>Total Reductions</b>	<b>\$ 355,337</b>		<b>1.0</b>
<b>Total General Fund Reductions</b>	<b>\$ 296,840</b>		
<b>Total Special Fund Reductions</b>	<b>\$ 58,497</b>		

## Updates

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### 1. Dental Health Initiatives

Since fiscal 2009, the Family Health Administration (FHA) budget has included funding to improve the State's public dental health infrastructure and to provide school-based dental services. FHA's Office of Oral Health (OOH) is charged with developing statewide oral health preventive and educational strategies to decrease oral disease, conducting oral health surveys of the State's school children, and providing grant funding for the establishment of local oral health programs targeted to populations at high-risk for oral disease.

#### Background

The issue of dental access came to the forefront in Maryland in 2007 with the untimely death of a 12-year-old Prince George's County child who had an untreated tooth infection that spread to his brain. At the time the child fell ill, the child's Medicaid coverage had lapsed. Nonetheless, when covered by Medicaid, the mother said it took her seven months to obtain dental treatment for another child that appeared to have more serious dental problems.

Concern over dental access in Maryland is not new. Nor is the problem isolated to the Medicaid population. For example, the *Survey of the Oral Health of Maryland School Children: 2005-2006* conducted by the Department of Pediatric Dentistry, University of Maryland, Baltimore College of Dental Surgery, and the Department of Health and Mental Hygiene's (DHMH) Office of Oral Health, found that:

- 33% of Maryland children in kindergarten and third grade had untreated decay; and
- less than 30% of Maryland children in kindergarten and third grade had dental sealants.

With regard to the first measure, the survey revealed some improvement over the *2000-2001 Survey of the Oral Health Status of Maryland School Children*, which found that 53% of Maryland children in kindergarten and third grade had untreated decay in their primary teeth.

In response to the tragic death of the 12-year-old youth, numerous actions were taken to address the issue of dental access in Maryland. First, during the 2007 regular session, the General Assembly passed a bill establishing the Oral Health Safety Net Program. A Dental Action Committee (DAC) was also formed to develop recommendations to ensure that every Maryland child has a dental home and has access to oral health care. As part of its overall report to the Secretary of DHMH, the DAC found a lack of dental public health infrastructure in Maryland and recommended funding to correct this situation.

## **Office of Oral Health Initiatives**

In response to the findings of DAC and the priorities of the Administration to improve dental health care for Marylanders, funding to build dental health clinics and school-based oral health programs was included in the fiscal 2009 budget, of which OOH received \$1.55 million. OOH used the new operational funds to invest in the dental public health infrastructure across the State including expanding dental education, diagnostic, prevention, and treatment services.

The fiscal 2010 activities continue the work that began in 2009 and include grants to local health departments and school-based oral health services. The program receives \$1.55 million in funding for fiscal 2010. Of this total, \$0.9 million is dedicated to establishing new oral health services and increasing capacity of dental practitioners through grants to local health departments. The remaining amount, \$0.7 million, is dedicated to school-based oral health services to provide children with preventive oral health services, education, oral screening, and access to a dental home. OOH supports three school-based programs: a mobile dental van program sponsored by Prince George's County Health Department; school-based dental prevention services in Allegany, Baltimore, Caroline, Cecil, Garrett, Howard, Somerset, and St. Mary's counties and Baltimore City; and school-based oral health access programs sponsored by OOH and the Centers for Disease Control and Prevention.

The fiscal 2011 budget again includes \$1.55 million to continue the programmatic activities of OOH. The office will continue to fund the programs identified at local health departments and school-based activities.

## **2. Initiatives to Reduce Infant Mortality in Maryland**

In fiscal 2007, the Babies Born Healthy (BBH) program was established to reduce infant mortality and improve infant health in the State. In fiscal 2009 and 2010, MHHD received \$1.0 million in general funds to combat infant mortality among minorities. In both the 2008 and 2009 sessions, the legislature amended the State budget to restrict \$665,000 to fund the BBH program. The remaining \$335,000 was left in MHHD to fund minority infant mortality projects. The fiscal 2011 allowance, as submitted by the Governor, reflects this distribution of funding for the two programs.

### **Minority Health and Health Disparities Initiatives**

The goal of the MHHD initiative is to support the development of local infrastructure, increase capacity, assist in obtaining resources, provide technical assistance, and facilitate sustainability for local programs. MHHD has identified demonstration projects in Prince George's and Montgomery counties, as these two counties have some of the highest rates of infant mortality among African American and Hispanic populations.

MHHD has identified specific strategies to reach the targeted population and to engage them in prenatal care to reduce the rate of infant mortality. These include:

- navigators, or promotoras, to conduct personal outreach in the community;
- community coalitions;
- enhanced clinical services;
- interjurisdictional partnerships; and
- community outreach and education.

### **Babies Born Healthy Program**

The BBH program, within FHA, also aims to combat infant mortality by focusing on areas of the State with high rates and where access to care is limited. BBH cites a few main factors that contribute to Maryland's high infant mortality rate, including the high rate of unintended pregnancies, lack of early prenatal care, and a high racial disparity in birth outcomes. In order to address these issues, BBH will target interventions initially in three jurisdictions with high infant mortality rates: Baltimore City, Prince George's County, and Somerset County. After successful programs are established in these jurisdictions, the model will be expanded statewide.

The BBH program strategy focuses on the full span of pregnancy – before pregnancy to ensure women are healthier at the time of conception, during pregnancy to facilitate earlier entry into prenatal care, and after delivery for perinatal and neonatal interventions to ensure comprehensive follow up care as needed. Strategies include the development of comprehensive women's health centers, expediting Medicaid eligibility for prenatal care and establishing standardized hospital discharge protocols for ensuring risk-appropriate follow up to mothers and infants.

### **Collaboration**

MHHD and FHA have collaborated to develop culturally competent approaches to addressing infant mortality statewide and through cooperative projects in the identified counties. Staff from both offices meet at least once a month to provide updates and status reports on infant mortality reduction activities in each respective demonstration project. Beginning in fiscal 2010, the Maryland Community Health Resources Commission, an independent commission tasked with expanding access to care for low-income, underinsured, and uninsured Marylanders, has also disbursed infant mortality grants. To date, five grants totaling \$1.3 million has been disbursed to local community health resource centers to combat infant mortality.

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DHMH should ensure open communication and collaboration between the three programs to make the most efficient use of the State’s financial resources to combat this issue in the State and to ensure that services are not duplicative.

## ***Current and Prior Year Budgets***

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### **Current and Prior Year Budgets DHMH – Family Health Administration (\$ in Thousands)**

	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Reimb. Fund</u></b>	<b><u>Total</u></b>
<b>Fiscal 2009</b>					
Legislative Appropriation	\$48,067	\$48,213	\$113,519	\$0	\$209,798
Deficiency Appropriation	2,200	0	15,154	0	17,354
Budget Amendments	786	12,044	-431	50	12,449
Cost Containment	-3,059	-7,878	-36	0	-10,974
Reversions and Cancellations	0	-403	-2,294	0	-2,697
<b>Actual Expenditures</b>	<b>\$47,994</b>	<b>\$51,976</b>	<b>\$125,912</b>	<b>\$50</b>	<b>\$225,931</b>
<b>Fiscal 2010</b>					
Legislative Appropriation	\$33,029	\$41,228	\$123,144	\$50	\$197,451
Cost Containment	-816	-12,577	0	0	-13,393
Budget Amendments	5,000	15,600	100	0	20,700
<b>Working Appropriation</b>	<b>\$37,213</b>	<b>\$44,251</b>	<b>\$123,244</b>	<b>\$50</b>	<b>\$204,759</b>

Note: Numbers may not sum to total due to rounding.

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## **Fiscal 2009**

FHA spent \$225.9 million in fiscal 2009, which is \$16.1 million more than the legislative appropriation. General funds decreased by a net of \$0.1 million. Budget amendments and deficiency appropriations increased general funds by \$3.0 million. The major increase in general funds was caused by higher than anticipated costs for the Breast and Cervical Cancer Program (\$2.7 million). General funds also increased due to higher than anticipated health insurance and telecommunications costs (\$0.2 million) and cost-of-living adjustments (\$0.1 million). These increases were offset by \$3.1 million in general fund cost containment actions taken by BPW that eliminated a grant to Montebello at Kernan (\$2.3 million), reduced grants by 1% (\$0.4 million), and reduced salaries (\$0.3 million).

Special funds increased by a net of \$4.2 million. Budget amendments added \$12.0 million in special funds for a grant to the Prince George's Hospital Authority. This increase was offset by \$7.9 million in special fund cost containment reduction to the CRF programs with the following actions:

- \$3.4 million reduction to statewide academic health centers;
- \$2.0 million reduction to cancer programs;
- \$1.5 million reduction to tobacco programs; and
- \$1.0 million across-the-board 10% reduction.

Federal funds increased by a total of \$14.7 million, mainly to cover the increased costs for the WIC program (\$14.7 million). Also, federal funding increased for an outreach campaign about stroke symptoms (\$0.1 million), while cost containment to salaries reduced federal funds by less than \$0.1 million.

FHA cancelled \$2.7 million in fiscal 2009. Federal funds were cancelled as a result of less than anticipated spending for the WIC program (\$2.2 million) and the Arthritis Project (\$0.1 million). Special funds were cancelled as a result of Spinal Cord Injury Program grants not being awarded (\$0.4 million).

## **Fiscal 2010**

The fiscal 2010 working appropriation for FHA is \$204.8 million, an increase of \$7.3 million over the legislative appropriation. General funds have increased by \$5.0 million to transfer the funds for the Bon Secours grant from Medicaid to FHA to be awarded in fiscal 2010. Special funds have increased by \$15.6 million to recognize the transfer of funds from the CRF programs to the BCCDTP (\$14.8 million) and to conform to legislative action that restricted funds allocated in the Medical Care Programs Administration to be used only to fund the Minority Outreach and Technical

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Assistance program (\$0.8 million). Federal funds increased \$0.1 million to develop strategies to reach ethnic and racial underserved and priority populations for the H1N1 vaccine.

Also, cost containment actions have reduced the budget by \$13.4 million, consisting of \$0.8 million of general funds and \$12.6 million in special funds. The following reductions were made according to the approved BPW actions:

- reduction to Statewide Academic Health Centers (\$7.5 million special funds);
- reduction to Cancer Prevention, Education, Screening, and Treatment programs (\$3.0 million special funds);
- reduction to Tobacco Use, Prevention, and Cessation programs (\$1.3 million special funds);
- reduction to Spinal Cord Injury Fund grants (\$0.4 million special funds);
- implementation of statewide furloughs (\$0.3 million general funds);
- reductions for salary expenses in the Maternal and Child Health program and conversion of a state funded contract for dental health to a federal grant (\$260,000 general funds);
- abolition of 5 positions in CRF programs, including three from the CRF Cancer Administration program and two from CRF Tobacco Administration (\$200,000 in special funds);
- elimination of the general fund portion of grants to two children's medical day centers (\$150,000 general funds);
- reduction to funding for health professions education at the Eastern Shore and the Western Maryland Area Health Education Center (\$100,600 general funds); and
- other miscellaneous reductions to travel, family planning supplies, and personnel consolidation (\$5,000 general funds and \$0.1 million special funds).

**Object/Fund Difference Report  
DHMH – Family Health Administration**

<u>Object/Fund</u>	<u>FY09 Actual</u>	<u>FY10 Working Appropriation</u>	<u>FY11 Allowance</u>	<u>FY10 - FY11 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	187.30	173.30	173.30	0	0%
02 Contractual	5.89	7.33	6.33	-1.00	-13.6%
<b>Total Positions</b>	<b>193.19</b>	<b>180.63</b>	<b>179.63</b>	<b>-1.00</b>	<b>-0.6%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 14,755,190	\$ 14,122,386	\$ 15,025,589	\$ 903,203	6.4%
02 Technical and Spec. Fees	344,693	218,646	224,519	5,873	2.7%
03 Communication	272,083	274,911	297,648	22,737	8.3%
04 Travel	329,896	350,742	346,437	-4,305	-1.2%
07 Motor Vehicles	42,959	49,821	24,564	-25,257	-50.7%
08 Contractual Services	173,808,215	156,562,775	174,463,005	17,900,230	11.4%
09 Supplies and Materials	1,780,772	2,152,519	1,767,390	-385,129	-17.9%
10 Equipment – Replacement	5,520	0	0	0	0.0%
11 Equipment – Additional	786,321	545,569	617,919	72,350	13.3%
12 Grants, Subsidies, and Contributions	33,753,120	30,434,254	21,057,971	-9,376,283	-30.8%
13 Fixed Charges	52,337	46,915	54,191	7,276	15.5%
<b>Total Objects</b>	<b>\$ 225,931,106</b>	<b>\$ 204,758,538</b>	<b>\$ 213,879,233</b>	<b>\$ 9,120,695</b>	<b>4.5%</b>
<b>Funds</b>					
01 General Fund	\$ 47,993,760	\$ 37,213,165	\$ 32,788,509	-\$ 4,424,656	-11.9%
03 Special Fund	51,975,592	44,251,089	44,038,217	-212,872	-0.5%
05 Federal Fund	125,911,754	123,244,284	137,002,507	13,758,223	11.2%
09 Reimbursable Fund	50,000	50,000	50,000	0	0%
<b>Total Funds</b>	<b>\$ 225,931,106</b>	<b>\$ 204,758,538</b>	<b>\$ 213,879,233</b>	<b>\$ 9,120,695</b>	<b>4.5%</b>

Note: The fiscal 2010 appropriation does not include deficiencies.

**Fiscal Summary  
DHMH – Family Health Administration**

<u>Program/Unit</u>	<u>FY09 Actual</u>	<u>FY10 Wrk Approp</u>	<u>FY11 Allowance</u>	<u>Change</u>	<u>FY10 - FY11 % Change</u>
02 Family Health Services and Primary Care	\$ 146,843,961	\$ 148,903,336	\$ 145,773,334	-\$ 3,130,002	-2.1%
06 Prevention and Disease Control	79,087,145	55,855,202	68,105,899	12,250,697	21.9%
<b>Total Expenditures</b>	<b>\$ 225,931,106</b>	<b>\$ 204,758,538</b>	<b>\$ 213,879,233</b>	<b>\$ 9,120,695</b>	<b>4.5%</b>
General Fund	\$ 47,993,760	\$ 37,213,165	\$ 32,788,509	-\$ 4,424,656	-11.9%
Special Fund	51,975,592	44,251,089	44,038,217	-212,872	-0.5%
Federal Fund	125,911,754	123,244,284	137,002,507	13,758,223	11.2%
<b>Total Appropriations</b>	<b>\$ 225,881,106</b>	<b>\$ 204,708,538</b>	<b>\$ 213,829,233</b>	<b>\$ 9,120,695</b>	<b>4.5%</b>
Reimbursable Fund	\$ 50,000	\$ 50,000	\$ 50,000	\$ 0	0%
<b>Total Funds</b>	<b>\$ 225,931,106</b>	<b>\$ 204,758,538</b>	<b>\$ 213,879,233</b>	<b>\$ 9,120,695</b>	<b>4.5%</b>

Note: The fiscal 2010 appropriation does not include deficiencies.